

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the matter of

Toll Free Service Access Codes

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CC Docket No. 95-155

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COMMENTS OF  
SCHERERS COMMUNICATIONS GROUP, INC.

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**TABLE OF CONTENTS**

| <b><u>Section</u></b>   | <b><u>Page</u></b> |
|---|--------------------|
| <b>I. <u>Introduction</u></b> .....                               | <b>3</b>           |
| <b>II. <u>Background</u></b> .....                                | <b>4</b>           |
| <b>III. <u>Efficient Use of Toll Free Numbers</u></b> .....       | <b>4</b>           |
| 1. Making Toll Free Numbers Available.....                        | 4                  |
| 2. Escrow Requirement.....  | 6                  |
| 3. Lag Time.....  | 8                  |
| 4. Personal Identification Numbers.....                           | 9                  |
| <b>IV. <u>Mechanics of Opening New Toll Free Codes</u></b> .....  | <b>10</b>          |
| 1. Reservation of New Toll Free Codes.....                        | 10                 |
| 2. Phased Introduction of New Toll Free Service Access Codes..... | 11                 |
| 3. Implementation Plan for Next Toll Free Code Beyond 888.....    | 12                 |
| 4. Tracking Toll Free Number Usage.....                           | 12                 |
| <b>V. <u>Warehousing of Toll Free Numbers</u></b> .....           | <b>13</b>          |

|   |             |
|---|-------------|
| <b>VI. <u>Vanity Numbers</u></b> .....                                    | <b>14</b>   |
| 1. Proposals.....   | 15          |
| 2. High Volume Numbers.....   | 18          |
| <b>VII. <u>Toll Free Directory Assistance</u></b> .....                   | <b>18</b>   |
| <b>VIII. <u>Administration of the Service Management System</u></b> ..... | <b>19</b>   |
| <b>IX. <u>Public Awareness and Industry Participation</u></b> .....       | <b>20</b>   |
| <b>X. <u>Circuit Breaker Model</u></b> .....                              | <b>20</b>   |
| <b>XI. <u>Tariffs</u></b> .....   | <b>21</b>   |
| <b>XII. <u>Conclusion</u></b> .....                                       | <b>22</b>   |
| Letter, Michael J. Wade to Angela Simpson.....                            | Appendix I  |
| April 25-27, 1995, Joint SNAC/INC Meeting Minutes.....                    | Appendix II |

## **I. INTRODUCTION**

On October 4, 1995, the Federal Communications Commission (FCC) issued CC Docket No. 95-155 (Notice) to obtain comments and information concerning the treatment of Toll Free Service Access Codes. The Commission seeks to promote the efficient use of toll free numbers, foster the fair and equitable reservation and distribution of toll free numbers, smooth the transition period preceding introduction of a new toll free code, guard against warehousing of toll free numbers, and determine how toll free vanity numbers should be treated.<sup>1</sup> These concerns have been raised by the rapid consumption of the current 800 number resource and the scheduled implementation of the new 888 toll free NPA. Although the Commission intends to continue the policy of allowing the industry to develop its own guidelines and procedures, it feels obligated to intervene in this matter due to industry concerns regarding the smooth transition to new toll free service access codes.

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<sup>1</sup> See Toll Free Service Access Codes, Notice of Proposed Rulemaking, FCC No. 95-419, CC Docket No. 95-155 (released October 5, 1995)

## **II. BACKGROUND**

Scherers Communications Group, Inc. (SCG), is both a certified Responsible Organization (Resp Org) and interexchange carrier, offering long distance service throughout the United States. The services offered by SCG are provided by resale of other major carrier services. Therefore, SCG is also a large volume consumer of the services involved.

SCG is also an active member of the SMS/800 Number Administration Committee (SNAC), a subtending committee of the Ordering and Billing Forum (OBF). In that capacity, SCG has participated in all the industry meetings held in the past ten months to address the 800 exhaust and 888 implementation. These meetings have covered SMS/800 data base requirements, the LEC 888 Portability Network Implementation Plan, replication of 800 numbers in the 888 NPA, and other industry issues. Therefore, SCG qualifies both as an interested, knowledgeable party and a large volume customer. In this capacity, SCG respectfully enters the following comments.

## **COMMENTS**

### **III. EFFICIENT USE OF TOLL FREE NUMBERS**

#### **1. Making Toll Free Numbers Available to Subscribers Who Need and Want Them**

In its Notice, the FCC requested comments on three specific proposals related to the efficient used of toll free number resources.<sup>2</sup> SCG would like to address each proposal individually to way the merits and drawbacks for each one. First of all, we

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<sup>2</sup> Id. at 13

believe that each Service Provider should require an affirmative request from the subscriber in writing for the request of each assigned toll free number. We have no knowledge of a specific example of fraudulent reservations taking place at this time in the industry. We do believe that this problem has been exacerbated by the potential exhaust of 800 numbers before the implementation of the 888 NPA. However, it is also our belief that the requirement of a written request will diminish this practice if it is taking place. In addition, it will protect those 800 subscribers who are currently receiving few calls on the numbers for which they are billed. The written requests should contain at least a minimum amount of information including company name, address, contact number, specific service requested, and date service is needed. The document should also carry the signature of an authorized agent of the company. The industry guidelines state, "To ensure the capability to move a Reserved 800 Number from one Resp Org to another [sic] it is recommended that the potential 800 Service Customer sign and submit an 800 number reservation agreement form to its 800 Service Provider."<sup>3</sup> Therefore, it should simply change from a recommendation to a requirement. Since SCG, as a carrier, requires written contracts from its subscribers, this practice would not impose any inconvenience upon our company. In addition, a two year retention of these documents would also be possible and within our current corporate guidelines for retention of records.

The Commission is also seeking comments on its legal authority to enforce such requirements on the industry. SCG feels that the inclusion of this requirement in the industry guidelines would be sufficient for limiting fraudulent activity, although the Commission is concerned that voluntary industry guidelines are insufficient for the protection of a valuable resource. The current situation is unique and, with the safeguards planned for the future, should not occur again. The industry has also gained enough experience from this situation to prevent exhaust in the future.<sup>4</sup> Therefore, it does not

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<sup>3</sup> See Industry Guidelines for 800 Number Administration (June 8, 1995)

<sup>4</sup> Id.

seem necessary to establish new and complex regulations to protect a resource that may be protected by guidelines established by the industry.

## **2. Escrow Requirement**

The Commission also seeks comments on the use of an escrow account to hold deposit payments for reserved numbers. First of all, it is important to understand that Resp Orgs often reserve several numbers for a short period of time for the same customer. This allows the customer to select from several numbers before the actual assignment of the number to his or her service. This practice protects the numbers under scrutiny by the customer until an actual decision is made. The decision can take hours or sometimes a few days to make. Therefore, numbers will quickly move in and out of the reserved status. This practice is not one that jeopardizes the resource, nor does it excessively interfere with the selection of numbers by other Resp Orgs. These numbers should not be included in any category for which a deposit is required.

SCG feels that the imposition of an escrow account would cause an undue hardship for the smaller Resp Orgs who do not have the excess capital to invest in reserved numbers. The establishment of such a requirement would hamper competition, eliminate the opportunities for smaller Resp Orgs and carriers, and tie up capital that can be better used for the development of new services and technologies. It is inevitable, therefore, that the costs would be passed on to the consumer in some way. In addition, it would be necessary to establish new departments within Resp Orgs simply to track deposits paid, amounts refunded, and the disposition of the associated toll free numbers. Although the need for additional headcount and departments would be costly for all Resp Orgs, it would be particularly devastating but necessary for the smaller, private, non-capitalized companies.

If the Commission chooses to establish the escrow requirement, SCG feels that many questions need to be addressed before such a process is implemented. First of all,

who would administer the account and at what cost? Would the cost of administration be deducted from the fund and, therefore, paid by Resp Orgs? How long would the deposits be held? Would funds be returned after the number is either released to spare or activated? How long would this process take? All of these questions focus on the financial aspects of the Commission proposal, a major consideration for SCG and many other smaller Resp Orgs. Administration of the fund must be handled by an objective third party organization to ensure the fair treatment of all Resp Orgs. Also in question is the effectiveness of the escrow requirement. A large deposit amount, \$100.00 per number or more, would reduce the number of reservations made, but would severely limit the ability of smaller companies to do business. A smaller amount would not cause hardship to many companies, but would be ineffective in reducing reservations. Because of the reservation process listed at the beginning of this section, fees should not be required until a specific time period has elapsed. A larger question would be the willingness of the Commission to restrict trade in the interests of protecting a resource that may or may not be endangered. SCG believes that the industry guidelines are sufficient to cover any FCC involvement in this type of dispute.<sup>5</sup>

In its Notice, the Commission proposes that deposits are forfeited when a Resp Org or subscriber is found to be hoarding or warehousing.<sup>6</sup> SCG contends that penalties for these violations can be imposed without the establishment of an expensive and involved escrow process. It is also important to establish specific definitions of both warehousing and hoarding, that include the length of time and proper documentation of activities. Otherwise, allegations can be made without concern for good faith attempts to get numbers installed, particularly for attractive vanity numbers. Administration of this kind of policy could result in a witch hunt when several Resp Orgs are competing for the same vanity number.

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<sup>5</sup> Id., Introduction - "It is expected that all participants in the provision and use of 800 Service demonstrate a good faith effort towards adherence to these guidelines, and while compliance is voluntary, deliberate abuse of these guidelines may be referred by any participant to the Federal Communication Commission of the United States government, or to the Director General, Spectrum Engineering, Industry Canada, as appropriate."

<sup>6</sup> See Toll Free Service Access Codes, at 2, 16

### 3. Lag Time

In its Notice, the Commission expressed concern over two instances of “lag time,” that result in the unavailability of toll free numbers. Both of these instances have been addressed by the SNAC in recent meetings. During its meetings in May and July, the SNAC considered reducing the reserved status time duration to 30 days.<sup>7</sup> However, it was found that the ordering process, including translations for routing, sometimes exceeds the 60 day timeframe. In addition, the subscriber frequently requests a number several months in advance of his or her actual installation date in order to plan for advertising and promotion. Therefore, SCG agrees that numbers should be permitted to remain in reserved status for up to 60 days.

Two other categories were addressed in the Notice, assigned and suspend. SCG believes that both categories should continue with a twelve month limit. Although the assigned status should rarely continue for twelve months, there are circumstances when it may be necessary to plan a year in advance. A good example of this situation is the 1996 Olympics. Unless some alternative method is developed to address these isolated situations, we believe that the twelve month period should also continue for the suspend status. This status is used for seasonal types of applications such as ski resorts or annual telethons. In all cases, the customer has invested monies in advertising and promotion and will require use of the number for portions of each year. We believe that this is a valid reason for the suspension and should be allowed to continue.

The Commission has also asked for comments regarding “lag time” for disconnected numbers. The SNAC has also addressed this issue in its most recent meetings.<sup>8</sup> It was determined that, during a conservation period only, a disconnected number can be made spare after four months. It was agreed that only the potential

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<sup>7</sup> See April 25-27, 1995 Joint SNAC/Inc Meeting Minutes, Agreement Reached 18

<sup>8</sup> Id., Agreement Reached 16



exhaust of 800 numbers would make it necessary for this action. The SNAC also agreed to maintain the current period of twelve months for a disconnected status for several reasons. First of all, several carrier tariffs provide for a reference of calls for a period of twelve months. SCG agrees that these subscribers should be entitled to the full benefit of their reference of calls. In addition, toll free numbers are often used on advertising media, brochures, and letterhead. Therefore, the numbers are often in circulation for a long period of time after disconnection. If these numbers are reassigned, the result would be misdirected calls and high billing claims. Considering these customer-affecting problems, SCG agrees with the SNAC guidelines that Resp Orgs be allowed the flexibility of keeping a number in the disconnect status for up to twelve months. If the number was a heavily used number and/or is a number that is published on a large number of printed materials, such as calendars, twelve months is a reasonable time to age a number before reissuing it. On the other hand, if the number was never used in printed media, but only appeared in radio or television media, subject to quick and easy change, then a four month disconnect period is sufficient. Based upon their knowledge and experience, the carriers should be able to set a time period anywhere from four to twelve months for the disconnect status.

#### **4. Personal Identification Numbers**

SCG highly recommends the use of PIN technology. Our company utilizes PINs for its Debit Card Service and Personal 800 Service. It allows us to offer value added services to our subscribers without incurring the cost of dedicated numbers. It is also valuable to the paging market, where it is logical to have 3,000 or 4,000 people sharing a toll free number for calls of short duration. The same is true of voicemail systems or corporate offices that use toll free access to their corporate offices. We believe that an economic incentive would be instrumental in reducing the volume of numbers used for the above mentioned services. However, financial rewards will also impose artificial barriers to the development of other services. The industry would be better served if low usage types of services like paging and voicemail were assigned their own NPA. In this

way, usage of toll free services can be tracked more easily, and numbers for high usage services will not be jeopardized by potential exhaust of available numbers.

#### **IV. Mechanics of Opening New Toll Free Codes**

##### **1. Reservation of New Toll Free Codes**

The current guidelines for reservation of numbers normally provide for the orderly and fair distribution of toll free numbers to all Resp Orgs. However, the opening of new NPAs or the release of previously unavailable vanity numbers results in an unfair free for all, with Resp Orgs utilizing whatever technologies they have available to secure the most attractive numbers. The Commission needs only to review the results of the reservations made on December 15, 1994, to determine the advantages provided to Resp Orgs with the financial ability to install mechanized generic interfaces. On that date, the majority of the newly released numbers were reserved by one Resp Org. In fact, 90% of the available numbers in the 555 NXX were reserved in the first ten minutes.<sup>9</sup> This same situation will occur when the 888 NPA is implemented unless some sort of limitations are established. The issue is not the amount of numbers that each Resp Org can reserve, but the number that can be reserved in such a short time period.

SCG proposes that the Commission impose some limitations to the volume of numbers that any Resp Org can reserve during a fifteen minute period. The allocation can be based upon the current volume of numbers under any Resp Org's control. This proposal will not prevent any company from conducting business, but it will allow even the smallest Resp Org equal access to attractive vanity numbers. In addition, it will provide the data base with the time to process transactions. SCG does not believe that a lottery or any other dispute resolution is necessary as long as some allocation limits are in place.

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<sup>9</sup> See Southern New England Telephone Company Expedited Petition for Emergency Interim Relief, Preliminary Injunction and Stay (released October 10, 1995)

## **2. Phased Introduction of New Toll Free Service Access Codes**

The industry is currently developing procedures to provide an orderly, smooth transition to the new 888 NPA. The SNAC Toll Free SAC Implementation Plan being presented under this docket addresses the Commission concerns regarding the capacity of the SMS data base system as well as the SCP links.<sup>10</sup> SCG endorses the SNAC plan because it allows for the orderly transition to the 888 NPA without diminishing the capacity of any Resp Org to do business. Under the SNAC plan, reservations for 888 numbers will begin on January 21, 1996, with an allocation assigned to each Resp Org. Customer records will be created for all these numbers and updated in the SMS system. Records for these numbers will be downloaded to the SCPs starting February 25, 1996, to provide for service on March 1, 1996. Any records created by Resp Orgs after February 25, 1996, will require a due date after March 1. Based upon SNAC calculations, this process will ensure the most efficient use of our resources. In addition, weekly conferences will be held to monitor the activity in the data base to make sure that downloading can take place without affecting the efficiency of the data base or SCPs.

SCG does believe, however, that the allocations should be recalculated based upon more recent activity. It is evident from the weekly Number Administration Summary Reports that not all Resp Orgs are using their full allocation.<sup>11</sup> Over the past three months, the 800 numbers in use have increased by 138,096, averaging approximately 11,500 per week. This figure is well below the 29,000 numbers per week allocated by the Commission. These results should be considered when the implementation plan is adopted.

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<sup>10</sup> See The SNAC 888 Network Implementation Plan

<sup>11</sup> The 800 NASC prepares a weekly report under the title Number Administration Summary Report. This report provides a composite view of all 800 numbers in each status of the data base. The NASC was asked to convert this report from a monthly generation to a weekly one when 800 exhaust was first addressed.

### **3. Implementation Plan for Next Toll Free Code Beyond 888**

SCP believes that the industry should begin planning for the implementation of the next toll free code immediately. It is evident that portability will extend to other NPAs in the future.<sup>12</sup> Therefore, all service providers should be preparing for this contingency. In addition, the plan itself has been established and the actual NPA has already been determined. Our concern is that the trigger for the implementation of a new NPA should not be based strictly upon the status of the previous NPA. For example, the 877 implementation should not take place simply because 888 alone is at 50% availability. If this process is repeated for each NPA, millions of numbers will be unassigned when all NPAs have been opened. SCG believes that the policy should involve a two-part trigger that is based upon the total number of telephone numbers available. Assigning a percentage of the previously released NPA as the trigger would cause the implementation of the new NPA to occur too soon as the base of total numbers increases.

SCG also concurs with the Commission's belief that the transition process associated with the implementation of a new NPA should be improved and shortened. We also believe that with the immediate start of planning, the industry will be able to develop a plan that will encompass all the future NPAs, without requiring a separate implementation each time that a code is implemented. SCG believes that it is simply good business practice to prepare for a future that has already been outlined.

### **4. Tracking Toll Free Number Usage**

Several reports are available today that provide information related to the toll free market and its associated usage. The Number Administration Service Center (NASC)

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<sup>12</sup> See Telephone Number Portability, Notice of Proposed Rulemaking, CC Docket No. 95-116 (released October 10, 1995)

provides a regular report showing the volumes associated with each status.<sup>13</sup> Currently, this report is being provided weekly. It is anticipated that a weekly report will not be necessary after the implementation of 888. However, the report can be provided on an as needed basis. Based upon the information provided in this report, it will be possible to estimate the time remaining prior to exhaust of the available resources.

A report of the specific uses of the numbers would be far more difficult to generate. Currently, it is not necessary for the Resp Org to know the purpose for which the toll free number is used. In addition, the SMS data base does not provide a format for maintaining this type of information. We question the usefulness of such a report and its relationship to the opening of new NPAs. This information is more related to the marketing aspects of the industry and does not affect the actual administration of the resource. However, if the Commission is interested in developing a more conclusive understanding of the uses for toll free service, it may be beneficial to establish different NPAs for a few categories of services, i.e., paging and personal 800 numbers.

## **V. Warehousing of Toll Free Numbers**

### **1. Proposals**

SCG believes that the depletion of 800 numbers is attributed to the increase in applications for the service rather than warehousing. The use of 800 service, which applied only to businesses in the past, has moved into the residential market due to the introduction of 800 paging access and personal 800 numbers. In addition, smaller businesses have discovered the benefits of offering clients the option of toll free calling. There is no doubt that more 800 numbers are being used today, while the actual usage has not kept pace with the increase.

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<sup>13</sup> See 800 NASC Number Administration Summary Report

In April, 1995, the SNAC agreed to institute a conservation measure to reduce the reservation limits for Resp Orgs to 8%.<sup>14</sup> At that time, all attendees indicated that this limit was fair and did not impede any company's ability to do business. Therefore, SCG believes that a lowered limit of 8% would be acceptable while protecting the resource for those subscribers who need a number. We do not believe that a 3% limit would be feasible. It is also important to continue the lower threshold of at least 1, 000 numbers for smaller Resp Orgs whose business would be negatively impacted by a percentage limit.

In order to ensure that toll free numbers are being reserved, assigned, and activated properly, we believe that the written authorization mentioned earlier can be utilized to guarantee the existence of a subscriber. SCG does not feel that a certification process is justified at this time. The establishment of such a process would impose a hardship upon smaller organizations where headcount and resources are limited. Annual reports should be sufficient, but both monthly and quarterly would pose a problem. If such information would be required, SCG would oppose any effort to treat the information provided as public knowledge.

## **VI. Vanity Numbers**

In its Notice, the Commission expressed concern about the interest and resources invested in vanity numbers by subscribers. SCG is aware of the importance of special numbers to its subscribers. In addition, the SNAC conducted a survey in June and July of 1995 to determine the extent of the desire to replicate current 800 numbers in the 888 NPA.<sup>15</sup> It was found that approximately 24% of current 800 number subscribers reacted positively to the replication of their numbers. Of this number, 53% were large customers with monthly invoices of \$5000 or more. Their greatest concerns included "branding"

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<sup>14</sup> See April 25-27, 1995 Joint SNAC/INC Meeting Minutes, Agreement Reached 1

<sup>15</sup> See Letter from Michael J. Wade, DSMI - SMS/800 Services, to Angela Simpson, ATIS-Assistant Director, July 18, 1995

and wrong number billing. These conclusions agree with the concerns expressed to the Commission by customers.<sup>16</sup> However, during the survey, replication was not specifically defined. Therefore, 800 service subscribers have not been informed of any potential for additional charges or limitations on access to the numbers.

## **1. Proposals**

SCG does not agree with any of the proposals listed by the Commission in its Notice. We will address each one individually to display the problems associated with each.

### **a. Right of First Refusal**

We believe that allowing current 800 subscribers the right of first refusal greatly affects the competitive environment encouraged by 800 number portability. With the right of first refusal, access to vanity numbers is limited to those carriers and subscribers who have been established in the industry for many years. According to the industry guidelines, “800 Numbers are not to be treated as commodities which can be bought or sold, and no individual or entity is granted a proprietary interest in any 800 number assigned.”<sup>17</sup> Allowing a customer first choice of a number will create the faulty perception of ownership and contradict industry guidelines which state that numbers are assigned on a first-come, first-served basis.<sup>18</sup> Such a decision will also set a dangerous precedent for future NPAs as they are released. SCG finds this option to be a nonproductive use of a valuable resource.

Should the Commission elect to utilize the right of first refusal, SCG believes that a significant monthly charge should be levied in return for the use of the resource. An assessment of at least \$100.00 monthly charge will ensure that frivolous requests for

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<sup>16</sup> See Toll Free Access Codes, at 1, 35

<sup>17</sup> See Industry Guidelines for 800 Number Administration, 2.2.1.

<sup>18</sup> Id., 2.3.1.

numbers will be minimized. If the assignment of replicated numbers provides the company with a significant marketing advantage, the company should be willing to pay the additional fee. These monthly charges can be flagged by the service providers to be used for the early implementation of new NPAs when the current resource is exhausted. Amounts collected should be reported to the Commission for monitoring purposes.

#### **b. Assignment Based on Industrial Classification**

SCG does not believe that assignment based upon SIC (Standard Industrial Classification) would resolve all of the issues raised in the Commission's Notice. First of all, classifications would be required on data base records. The SMS would be required to establish a field for the entry, and the system would require significant programming to do a comparison of records and SIC codes. At this time, all SMS resources are being utilized to implement the 888 NPA. SCG feels that resources would be better used in the timely and organized implementation of the new NPA. In addition, careful assignment of SIC would be required to ensure that classifications are neither too broad nor too narrow. SCG would also question to whom the responsibility of classification would fall. Once again, this process would violate the first-come, first-served policy promoted in the industry guidelines. Finally, wrong number calls would continue and cause increased billing claims. Since, the above problems would still exist, SCG opposes the use of SIC codes for limitations of assignment.

#### **c. Miscellaneous Proposals**

The Commission lists three alternative proposals that appear beneficial. The use of a "split reference" for callers would allow the numbers to be assigned on a first-come, first-served basis. However, SCG is concerned with the cost involved with implementing such a proposal. In addition, it is unlikely that the LECs and other service providers would be prepared to implement this policy in such a short period of time. Finally, it is not likely that this procedure would be necessary for all the 800 subscribers who would



request it. At what point would a subscriber be refused? If call volumes become the determining factor, smaller 800 subscribers would not be treated in a fair, non-discriminatory manner. We believe that several legal ramifications would develop under this scenario.

The partitioning of number assignments may provide a partial solution to the problem of replication. Personal and pager use would not involve the problems of replication by competitors or numerous dialing errors. However, this solution would simply delay the a decision needed when a new NPA is opened. In addition, partitioning at this time would require a mass migration of numbers to a new NPA, resulting in confusion as well as dialing errors. It is also unlikely that this change can be implemented prior to March 1, 1996. Grandfathering current 800 numbers for paging and personal 800 would not resolve the replication issue that the industry faces at this time.

SCG feels that the only viable option to address 800 subscriber concerns voiced to the Commission is the blocking of identified numbers for a temporary period of time. The industry has already begun a search to identify those numbers which would, according to the 800 subscriber, need some protection after the opening of the 888 NPA. A temporary blocking of the numbers will allow the public to become accustomed to the new NPA without the confusion of competitors installing mirrored numbers. Due to the popularity of toll free numbers, this period of consumer education should not extend beyond one year. The other concern voiced by 800 subscribers involved the billing problems associated with wrong numbers. Toll free service billing has always been susceptible to charges for incorrect calls. This problem is one that subscribers have accepted as a drawback to the service. However, the benefits of the service have outweighed the problem. While this problem will never completely cease, temporary blocking can minimize the results. Finally, this solution will not completely eliminate the ability to utilize the resource at some time in the future. In addition, it will not result in any legal ramifications or precedent setting that will eliminate future resources. SCG

strongly supports this solution because it addresses both customer concerns and protects the resource for the industry as a whole.

## **2. High Volume Numbers**

Dialing errors are particularly harmful in situations or applications where high volumes of calls are involved. However, it is not always evident that a toll free number will generate high volumes of calls or that the volume will be sustained over a long period of time. Examples of unknown volumes include consumer lines for products that may be involved in a crisis or radio station numbers used on a daily basis. In both cases, normal call volumes may be low, but other circumstances may prompt spikes in usage. Another example of possible high volumes would be a contest line that would be dependent upon a mailing or radio or television broadcast to generate calls. These volumes are neither foreseen nor sustained. While some numbers do maintain a steady high volume of calls, other situations cannot be anticipated. The 800 service subscriber may not inform the service provider about the usage of the number or accurately estimate its volume. The programming required to add a field and requirement to include this information in the data base would expend valuable resources for a process that provides questionable results. In addition, the records for disconnected numbers do not currently contain a previous history of use. Therefore, Resp Orgs would have no volume information for numbers that have been disconnected. Establishing an embedded base of history would vastly consume memory storage in the system. We do not believe that the outcome of this option would result in the desired benefits.

## **VII. Toll Free Directory Assistance**

SCG agrees with the Commission's proposal to allow for the access to toll free directory assistance from either 800-555-1212 or 888-555-1212. In order to foster the impression that 800 and 888 are operationally identical, the status quo must be maintained for both NPAs. We believe that competition in directory assistance is

beneficial, but circumstances during 888 implementation promote a later date for competition. Therefore, SCG believes that calls to 888-555-1212 should be forwarded to AT&T for the same treatment afforded to callers dialing 800-555-1212. Later changes to competition would be supported by SCG.

### **VIII. Administration of the Service Management System**

As a recent Resp Org, SCG feels that DSMI has been responsive to its customers' needs. Representatives of the organization actively participate in SNAC meetings and provide background and support information whenever requested by the committee. It does not seem appropriate to change suppliers at this time, due to the implementation of the new NPA. We also feel that DSMI should be considered as a viable solution to the portability issue currently being addressed by the Commission.<sup>19</sup> SCG does have a concern, however, regarding the confidentiality of customer records for each Resp Org. The SNAC was informed at the regularly scheduled Ordering and Billing Forum that the Service Management Team (SMT) does not consider all information provided to DSMI to be confidential. It was stated by a representative of DSMI that the SMT felt a right to any information that would be necessary for the efficient operation of the data base. Since the membership of the SMT consists of Local Exchange Company (LEC) representatives, SCG feels that this position provides an unfair competitive advantage to those companies. SCG respectfully requests that the Commission further explore this position in the interests of competition. It is our desire that information provided to the SMT by DSMI be limited to aggregated information related to the continuing development and operation of the 800/SMS data base only. This information must be specifically identified to protect the confidentiality of Resp Org customer records.

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<sup>19</sup> See Telephone Number Portability, Notice of Proposed Rulemaking, CC Docket 95-116 (Released September 7, 1995)

## **IX. Public Awareness and Industry Participation**

The introductions of new NPAs have always been handled by the industry participants. SCG believes that Commission involvement would be inappropriate in the implementation of the 888 NPA. Some service providers and Resp Orgs have already begun campaigns aimed at introducing 888 to the public. In addition, toll free subscribers will be required to invest in advertising to promote their own numbers. Therefore, it is our position that adequate information and public awareness activities will take place without Commission involvement.

## **X. Circuit Breaker Model**

The Commission, through this Notice, seeks to efficiently oversee the allocations of toll free numbers. It has proposed a protective device such as a circuit breaker arrangement to control access to toll free numbers. SCG agrees with the need to promote fair and equitable distribution of the toll free resource.

The Commission proposes that this device be used when a toll free resource reaches a potential exhaust situation. A trigger date would be established, and the circuit breaker would become operational when that date is reached. The plan, as defined by the Commission, would be based upon historical weekly data for the previous year for each Resp Org. SCG feels that the experience with the Commission's recent allocation plan should provide information regarding drawbacks in this plan. Historical data used to predict current usage can be misleading. The allocation process used by the Commission earlier this year illustrates the problem with this type of plan. Resp Orgs with a short history would be hampered in their expansions, because they would be limited by outdated data. In addition, Resp Orgs would be limited to allocations with no chance of revision. The toll free industry is a dynamic one, which requires constant review and changes. It would be unfair to restrict new entrants based upon early results. In addition, the required certification process for compatible equipment would impose a financial

hardship upon those smaller companies which utilize a simple dial-up access. SCG instead supports the plan proposed by the SNAC to address the future exhaust of toll free resources.<sup>20</sup>

SCG would support some sort of systematic circuit breaker established by Resp Org to control day-to-day transactions. We do not agree that other conservation proposals would alleviate the need to implement this option. While the other proposals would affect the use of numbers after reservation, this option would protect the resource at its beginning, the reservation. It would also provide a system capable of “(1) promoting efficient use of toll free numbers; (2) preventing warehousing; and (3) preventing RespOrgs with high speed modems from reserving large blocks of toll free numbers in rapid sequence.”<sup>21</sup> While some Resp Orgs may claim that any Resp Org has the ability to develop mechanized systems like the ones used by major carriers, the reality is that smaller Resp Orgs do not have the financial or technical ability to implement such a system. This option appears beneficial to the fair and equitable distribution of toll free numbers. However, acceptance would depend upon the cost of programming the data base.

## **XI. Tariffs**

SCG's tariffs are not dependent upon a dedicated toll free code, and we will be utilizing 888 in the same manner as 800 is used today. Therefore, we do not require any revisions to our tariffs. We also believe that the Local Exchange Companies should be asked to retain the same rates for toll free service, regardless of the number assigned (888 or 800). Without this requirement, the acceptance of 888 as an additional toll free code will be impacted.

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<sup>20</sup> See Industry Guidelines for 800 Number Administration, Introduction

<sup>21</sup> See Toll Free Service Access Codes, at 2, 55

## **XII. Conclusion**

SCG strongly supports the SNAC 888 Network Implementation Plan to be included in comments for this Docket, although we would support a redistribution of the allocation based upon actual reservations made by Resp Orgs since June 1, 1995. Acceptance of this plan will result in the smooth transition to the introduction and implementation of future toll free codes. SCG believes that decisions made by the SNAC on these issues are fair and reasonable.

SCG does not support the recommendations proposed by the Commission on escrow requirements, toll free number usage tracking, and certification of customers. Implementation of these proposals would result in unnecessary hardship for Resp Org companies with limited financial and headcount resources. In addition, the administrative costs of utilizing these options would outweigh the benefits. SCG does agree with the requirement of securing written reservation requests from subscribers. This practice would help to alleviate hoarding and warehousing tactics.

SCG requests assistance from the Commission in two areas. First of all, allocations should be revised to reflect actual reservation usage. Those Resp Orgs who are reserving their entire weekly allocation are obviously hampered in their business activities while others are not affected. The weekly NASC reports support this position. To alleviate pent-up demand, those weekly allocations should be increased. Secondly, the fair and equitable distribution of vanity numbers is threatened by the ability of some Resp Orgs to mechanically reserve large volumes of numbers in a short period of time. SCG proposes that some limitation be placed on the volume of numbers reserved in fifteen minute increments.

Vanity numbers have become a valuable resource for many companies who utilize toll free calling. SCG recognizes this fact, but also believes that this resource should be

made available to all subscribers. Therefore, SCG opposes any effort to replicate vanity numbers from the 800 NPA in the new 888 NPA. We recommend instead that identified numbers be placed in an unavailable status for six months after 888 implementation. This tactic will address both the competitive and billing concerns of customers, while protecting the resource of numbers. It will also protect the industry guidelines developed at the initiation of portability.

The industry has developed many solutions to the issues raised by the Commission. SCG recommends that, in most cases, these solutions be allowed implementation. In the two areas previously listed, SCG respectfully requests Commission intervention.

Respectfully submitted,

Scherers Communications Group, Inc.

By: 

Susan Drombetta

Manager - Rates and Tariffs

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(614) 841-2421

Dated: October 31, 1995

July 18, 1995

Angela Simpson  
ATIS - Assistant Director  
1200 G Street, NW Suite 500  
Washington, D.C. 20005

Angie:

Attached is a revised summarization of the data DSMI received related to the "Y" factor action item. The summarization has been changes from the one provided to you on July 13 because multiple additional responses have been processed.

Again, I hope this data proves useful to the SNAC members as they address the issues surrounding deployment of the 888 code. If you have any questions regarding the summarization, please contact me on 908-699-2125.

Sincerely,

Michael J. Wade  
DSMI - SMS/800 Services



## Questions:

1. How many working 800 numbers do you currently provide RESP  
ORG services for?

4,745,514

2. What number of your total working 800 numbers are considered  
by your customers to be "vanity" numbers and/or numbers  
which they have a vested interest in retaining (hereinafter  
"vanity" numbers)?

1,142,247 (24%)

3. Of those customers who consider their 800 number(s) "vanity"  
numbers, how many would consider that same number to be a  
vanity number and would want it replicated in:

888: 1,138,122 (24%)

877:

866:

855:

844:

833:

822: 721,484 (15%)

4. What number of those numbers which would be replicated in  
888 are considered to be assigned to customers with monthly  
billings of:

a) More than \$5,000 (i.e., large customers): 542,556 (53%)

b) Between \$1,000 and \$5,000 151,986 (15%)  
(i.e., medium customers):

c) Under \$1,000 (i.e., small customers): 325,503 (32%)

5. To the extent that your company differentiates residential  
customers from business customers, of the total numbers  
projected for replication, how many would be replicated for  
residential customers?

8,122 (1% of total for questions 6,7,8)